

REMARKS

In the Office Action mailed December 31, 2009, claims 1-39 and 85 were pending. Claims 1-39 and 85 were rejected. Claims 14-26 were rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Claims 14-26 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1-39 and 85 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Dwyer, FR, “Customer Lifetime Valuation to Support Marketing Decision Making”, 1997, Journal of Direct Marketing, Volume 11, Issue 4, John Wiley & Sons, pp. 6-13. (hereinafter Dwyer) in view of “Quantitative approaches for profit maximization in direct marketing”, 1998, H van der Scheer – dissertations.ub.nl (hereinafter Scheer).

Applicants respectfully traverse the rejection of Claims 14-26 under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Applicants respectfully submit that the examiner misstates both the law as concerns statutory subject matter, and concerning 35 U.S.C. § 112 ¶ 6 “*means for*” claims. As noted below, the examiner cites utilizes a “*printed matter*” rejection that has been much criticized by the Federal Circuit. Furthermore, the examiner has logical problem that if the claimed means provide the claimed functionality, they cannot be printed matter, since they would be functional. And, if they were printed matter, they would not be functional, and thus not means for accomplishing the claimed results. Applicants respectfully submit that relevant case law does not support rejecting 35 U.S.C. § 112 ¶ 6 “*means for*” claims as “*printed matter*”.

Nevertheless, Applicants amend Claim 14 to add a central processing unit and memory containing computer instructions executable by the central processing unit, as well as including “utilizing the central processing unit” with each “means” in the claim. Each element is specifically tied to hardware, and thus under relevant case law and U.S.P.T.O. rules and guidelines constitute statutory subject matter.

Applicants respectfully submit that a *prima facie* case of non-statutory subject matter has not been established, that this rejection of these claims is improper, and requests that it be withdrawn.

Applicants respectfully traverse the rejection of Claims 14-26 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The examiner is essentially asserting that because the cited elements of these claims have too much structure, and are therefore too specific, they do not qualify under 35 U.S.C. § 112 ¶ 6 as “*means for*” claims, but because they don’t qualify as “*means for*” claims because they are too specific, they are indefinite. This is nonsensical and not supported by relevant case law or U.S.P.T.O. rules and regulations.

Furthermore, a person reasonably skilled in the relevant art would understand how to implement these rejected elements. The specification discloses implementing them as either software or in a spreadsheet. Both are well within the knowledge of a reasonably skilled practitioner. The examiner has failed to provide any evidence, or, indeed, any argument, why the *means* with too much structure would be any less understandable to that practitioner than the

*means* that have sufficiently little structure to qualify under § 112 ¶ 6 as “means for” claim elements.

Applicants respectfully submit that the claim elements cannot both have too much structure and be indefinite at the same time, that this rejection is without support in the relevant case law, that a *prima facie* case of indefiniteness has not been established, and request that this rejection of these claims be withdrawn.

Applicants respectfully traverse the rejection of Claims 1-39 and 85 under 35 U.S.C. § 103(a) as being unpatentable over Dwyer, FR, “*Customer Lifetime Valuation to Support Marketing Decision Making*”, 1997, Journal of Direct Marketing, Volume 11, Issue 4, John Wiley & Sons, pp. 6-13. (hereinafter Dwyer) in view of “*Quantitative approaches for profit maximization in direct marketing*”, 1998, H van der Scheer – dissertations.ub.nl (hereinafter Scheer). Applicants reargue and incorporate by reference their previous arguments concerning these references.

In order to maintain a rejection the Examiner has the burden of providing evidence of *prima facie* obviousness. See MPEP §2143. See also In Re Vaeck, 947 F.2<sup>nd</sup> 488, 20 U.S.P.Q.2<sup>nd</sup> 1438 (Fed. Cir. 1991). In order to prove *prima facie* obviousness, the Examiner must provide evidence in the prior art of a motivation to combine or modify a reference, a reasonable expectation of success, and a teaching of each and every claimed element. Id.

The examiner has stated, without any authority, that a the net present value calculation (NPV) taught by Dyner reads on Applicants’ claim for “*return on investment*” (ROI). These are well known financial terms, taught in any graduate level (and many undergraduate) finance class, and they are not the same. For example, Wikipedia defines: “*In finance, rate of return (ROR)*,

also known as return on investment (ROI), rate of profit or sometimes just return, is the ratio of money gained or lost (whether realized or unrealized) on an investment relative to the amount of money invested. The amount of money gained or lost may be referred to as interest, profit/loss, gain/loss, or net income/loss. The money invested may be referred to as the asset, capital, principal, or the cost basis of the investment. ROI is usually expressed as a percentage rather than a fraction” and “In finance, the net present value (NPV) or net present worth (NPW)[1] of a time series of cash flows, both incoming and outgoing, is defined as the sum of the present values (PVs) of the individual cash flows. In case when all future cash flows are incoming (such as coupons and principal of a bond) and the only outflow of cash is the purchase price, the NPV is simply the PV of future cash flows minus the purchase price (which is its own PV). NPV is a central tool in discounted cash flow (DCF) analysis, and is a standard method for using the time value of money to appraise long-term projects. Used for capital budgeting, and widely throughout economics, finance, and accounting, it measures the excess or shortfall of cash flows, in present value terms, once financing charges are met. The NPV of a sequence of cash flows takes as input the cash flows and a discount rate or discount curve and outputting a price; the converse process in DCF analysis, taking as input a sequence of cash flows and a price and inferring as output a discount rate (the discount rate which would yield the given price as NPV) is called the yield, and is more widely used in bond trading.”

These are essentially the definitions taught in finance classes. ROI and NPV are utilized for different things, and are not interchangeable. Furthermore, it is well established that patent applicants are their own lexicographers, and Applicants here have repeatedly defined the term “return on investment” throughout their specification to mean the common usage of the term in the relevant art of finance. In particular: “[0096] Now, the software module calculates the return

of investment and displays this value in field 642. The return on investment is the percentage of the net profit to the campaign costs. The software module calculates the return on investment by dividing the net profit by the cost of the campaign and multiplying the result by 100% to obtain a percentage. In this example, the return on investment is 45%.” Thus, ROI is defined as:

$$ROI = \left( \frac{\text{Net Profits}}{\text{Campaign Costs}} \right) \times 100\%.$$

The examiner argues that even if the Applicants were to amend their claims to recite specifically “*ROI*”, that this measurement is known in the art of finance to be the discount rate that results from the net present value being zero. However, as shown by the equations here, that is not accurate. ROI results in a ratio or percentage of the net profits divided by costs. This is typically a number from 0 (0%) to 1 (100%) (of course, if the net profit is negative, so will the ROI be negative). NPV calculations result in a dollar (or other denomination) amount discounted to the present, but still a dollar amount. ROI is a ratio, and NPV is a dollar amount. Thus, Applicants’ respectfully submit that the examiner’s assertion here is incorrect and not supported by facts.

Nevertheless, the independent claims are amended to clarify this distinction. They include the limitation that the “*return on investment of the direct mail marketing campaign*” is determined “*by dividing a net profit by campaign costs*”. The NPV calculations in Dwyer fails to disclose a return on investment determined by dividing a net profit by campaign costs. Rather, it utilizes the standard NPV calculation of:  $NPV = \sum_{t=1}^n \frac{R_t}{(1+i)^t}$ , where  $i$  is the discount rate (20%),  $n$  is the number of periods (5),  $R_t$  is the net revenue for each year (\$1,930, \$7,345, \$5,102, \$3,583, and \$2,724) (all for Dwyer Exhibit 1). This claimed element is missing from the combined references.

In regards to the rejection of Claims 2-6, 15-19, and 28-32, the examiner has cited two cases for the proposition that “*descriptive material will not distinguish the claimed invention from the prior art*”. However, both cases found that the alleged descriptive matter did not make the relevant claims unpatentable under 35 U.S.C. § 103(a) (or § 102(e)). Rather, in both cases, the Board was reversed. Thus, these cases cannot be precedent supporting the examiner’s position. And Lowry cites Gulack as cautioning against liberal use of the “*printed material rejection*”:

A “printed matter rejection” under Section 103 stands on questionable legal and logical footing. Standing alone, the description of an element of the invention as printed matter tells nothing about the differences between the invention and the prior art or about whether that invention was suggested by the prior art.... [The Court of Customs and Patent Appeals], notably weary of reiterating this point, clearly stated that printed matter may well constitute structural limitations upon which patentability can be predicated. In re Lowry 32 U.S.P.Q. 2<sup>nd</sup> 1031, 1034 citing In re Gulack 703 F.2<sup>nd</sup> at 1385 n.8.

Neither case supports the “*printed material rejection*”, but rather, both question its validity. Furthermore, each of the claimed elements in these claims is separately shown in the drawings as separate inputs to Applicants’ invention and separate components to different cost calculations. They thus provide as much structure as the material in both Gulack and Lowry. Applicants respectfully submit that the rejection of these claims as the printed or descriptive matter is without foundation in law, and rather the allowability of these claims is supported by the cited cases.

MPEP § 2143 requires that: “\*\* *All words in a claim must be considered in judging the patentability of that claim against the prior art.*” In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). *If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious.* In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).”

The examiner has effectively read the limitations in these claims out of them. Applicants respectfully submit that the examiner cannot ignore these claims and their limitations by asserting that the recited method claims would be performed the same regardless of the actual data, that the structural materials might remain the same regardless of the specific data, or that the specific descriptive data would not distinguish the claimed invention from the prior art in terms of patentability. This ignores that the sources of the different types of data are different, that the data is not merely descriptive, but also functional, in terms of the results generated by the invention, that method claims may be distinguished through structure, and that the same rejection is being made for three different statutory classes of invention, while any such rejection is only relevant to one such statutory class.

Applicants respectfully submit that a *prima facie* case of obviousness has not been established for these claims, that the rejection of these claims is improper, and requests that it be withdrawn. The dependent claims are dependent upon allowable claims and should be allowable for the same reasons.

Applicants believe that the above-identified application is now in condition for allowance and such action is respectfully requested.

If the Examiner has any questions regarding this application or this response, the Examiner is requested to telephone the undersigned at 775-586-9500.

Respectfully submitted,  
LEWIS AND ROCA LLP

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/bruce e. hayden/

Bruce E. Hayden  
Reg. No.: 35,539

Lewis and Roca LLP  
1663 Hwy 395, Suite 201  
Minden, NV 89423  
(775) 586-9500